

ENVIRONMENT

# SPECIAL REPORT



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REVISED AND  
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TO PAY FOR  
THE HUGE TAX CUT,  
THE BUSH BUDGET CUTS  
ENVIRONMENTAL PROGRAMS

# TO PAY FOR THE HUGE TAX CUT, THE BUSH BUDGET CUTS ENVIRONMENTAL PROGRAMS

*The Bush Budget Cuts Environmental Programs  
by \$45 Billion or by 14% Over Ten Years*

*– A Revised, Updated Version of Special Report –*

## **GOP Rhetoric**

***“The President has submitted a budget that provides historically high levels of funding for key programs to help protect the environment. The Bush Administration’s actions demonstrate the commitment to protecting the air, water, and land.”***

RNC Press Release, 4/20/01

## **Reality**

***“This budget undercuts what little credibility President Bush had on the environment. As a presidential candidate, he made a handful of promises to protect the environment and public health. In this budget he has turned his back on nearly all of them.”***

Natural Resources Defense Council, 4/10/01

This special report will show that – despite such outrageous Republican claims as the one above to the contrary – the Bush budget contains significant cuts in funding for many of the most crucial programs that protect this nation’s environment. When combined with the President’s recent rollbacks of important environmental regulations, this budget makes clear that protection of our nation’s environment and natural resources is not a priority of this Administration. Indeed, in making cuts in numerous key domestic discretionary programs in order to pay for his enormous \$2 trillion-plus tax cut package, one of the areas that President Bush hits the hardest is the environment.

The President proposes only \$26.4 billion for discretionary appropriations for natural resources and environmental programs in FY 2002 – which is \$2.3 billion (or 8%) below the FY 2001 enacted level of \$28.7 billion. Furthermore, this level of appropriations is \$3.3 billion (or 11%) below the level needed, according to CBO, to maintain current purchasing power. As will be seen below, within this overall cut, the Bush budget proposes cutting appropriations for the Environmental Protection Agency by \$500 million below the FY 2001 enacted level and appropriations for the Interior Department by \$400 million below the FY 2001 enacted level.

The Bush Administration claims that part of the reason that a decrease is justifiable is

because there is no need to repeat funding for 2001 emergencies in future years. However, even after an adjustment is made to back out 2001 emergencies, the Bush request is still **\$1.6 billion (or 6%)** below the FY 2001 enacted level (without the emergency spending) and **\$2.6 billion (or 9%)** below CBO's estimate of the level needed to maintain current purchasing power (without the emergency spending).

Not only does the Bush budget provide a significant cut in natural resources and environmental programs in FY 2002, it also calls for significant cuts in these programs over the next ten years. Over ten years, the President's budget provides \$282.7 billion for natural resources and environmental programs. With the same adjustment to back out 2001 emergencies, **this funding level is still \$45 billion (or 14%) below CBO's estimate of the level needed to maintain current purchasing power for these programs.**

### ***The Bush Budget Severely Cuts Natural Resources and Environmental Programs in FY 2002***

Following is an overview of some of the numerous deficiencies in President Bush's budget for FY 2002 that relate to key environmental programs and issues.

- ! Cuts Overall EPA Budget By \$500 Million Below FY 2001 Enacted Level** – For FY 2002, the Bush budget provides \$7.3 billion in discretionary appropriations for the Environmental Protection Agency – which is **\$500 million (or 6.4%) below the FY 2001 enacted level.** This funding level is \$800 million – or 9.4% – below the level needed, according to the Congressional Budget Office, to maintain purchasing power at the FY 2001 level. This overall cut in the EPA budget includes cuts in such programs as the EPA enforcement budget, the Clean Water State Revolving Fund, and science and technology programs (see below for details).
- ! Cuts Overall Interior Budget by \$400 Million Below FY 2001 Enacted Level** – For FY 2002, the Bush budget provides \$9.8 billion in discretionary appropriations for the Interior Department – **which is \$400 million (or 3.9%) below the FY 2001 enacted level.** This funding level is \$737 million (or 7.0%) below the level needed, according to the Congressional Budget Office, to maintain purchasing power at the FY 2001 level.
- ! Calls for Drilling in the Arctic National Wildlife Refuge** – The President's budget assumes the opening of the Arctic National Wildlife Refuge (ANWR) for oil drilling, a move that would threaten an irreplaceable natural treasure while adding a limited amount to the nation's oil supply – a move strongly opposed by a broad coalition of national environmental organizations. Although the opening of ANWR to oil drilling is assumed in the President's budget, the Administration cannot implement this proposal without new legislation from Congress.

- ! **Slashes Energy Efficiency Programs** – President Bush has stated that the nation is experiencing an “energy crisis.” And yet the Bush budget slashes funding for energy efficiency programs – from developing appliance efficiency standards to research and development for the next generation of technologies in the building, industry and transportation sectors!! Specifically, the Bush budget slashes energy efficiency programs (other than weatherization grants) by \$180 million or by 27% – from \$663 million in FY 2001 to \$483 million in FY 2002.

Furthermore, within this overall cut, a number of specific energy efficiency programs are cut even more drastically under the Bush budget. For example, the Federal Energy Management Program, designed to reduce the energy use and costs of the Federal Government, would be slashed by \$12.4 million or by 48.2% – despite efforts to reduce federal energy consumption on the West Coast, which has been hit by electricity blackouts. Building conservation R&D would be cut by \$48.4 million or by 46.3%. Furthermore, industry sector conservation would be cut by \$60.9 million or by 41.0%. (Unfortunately, the only major energy efficiency program President Bush increases is weatherization grants – which he increases from \$153 million in FY 2001 to \$273 million in FY 2002, simply restoring this program to the level it was before Congressional Republicans began severely cutting it in 1995.)

President Bush apparently rejects the critically important role that energy efficiency programs can play in a balanced energy policy. Indeed, energy efficiency standards have saved American businesses and consumers some \$180 billion over the last two decades – more than \$200 for every dollar of federal money spent to develop them.

- ! **Slashes Renewable Energy Programs** – The Bush budget also slashes funding for renewable energy programs!! Specifically, the Bush budget slashes overall renewable energy programs by \$96 million or by 26% – from \$373 million in FY 2001 to \$277 million in FY 2002.

Furthermore, within this overall cut, a number of specific renewable energy programs are cut even more drastically. For example, the Bush budget cuts hydropower research by 49.9%, solar energy research by 53.7%, and wind energy research by 48.2%. In addition, the Bush budget calls for a 76% cut in federal grants to state and local governments and public power systems to deploy existing renewable technologies.

- ! **Transfers Some EPA Enforcement to States** – At the Environmental Protection Agency, some responsibilities for enforcing federal environmental protection laws would be transferred to the states – despite the fact that there are states across the country like Texas that have shoddy environmental protection enforcement records. As a first step, the Bush budget would reduce EPA’s enforcement staff in Washington and in the agency’s regional offices by 9%. This means eliminating the positions of over 230 EPA enforcement officials.

- ! **Fails to Fund Last Year's Bipartisan Six-Year Conservation Agreement** – The Bush budget backtracks on last year's landmark agreement to set aside and protect funds for land and water conservation programs. Last year, an overwhelming and bipartisan majority in Congress voted to create a new category of appropriated funding for land and water conservation programs. For 2001-2006, the funding in this new category is "fenced off" from other appropriated funds, and if appropriators do not utilize all of the funds in the category in any one year, any unused funding is available for appropriation the next fiscal year.

The category was set at \$1.6 billion for 2001 and is scheduled to grow by \$160 million per year through 2006, when it will reach \$2.4 billion. Under that schedule, appropriations from the category for 2002 through 2006 will total \$10.4 billion. **However, the Bush budget abandons this funding schedule and flat-lines conservation funding at \$1.5 billion for 2002 through 2004 and \$1.6 billion for 2005 and 2006. This results in \$2.7 billion less in dedicated conservation appropriations over the five-year period.**

- ! **Breaks Bush Campaign Promise on Tropical Forests** – For a Treasury Department fund designed to promote conservation of tropical forests, President Bush is proposing \$13 million in FY 2002 – the same as this year's level. However, this figure is considerably smaller than the \$100 million President Bush promised on the campaign trail last fall. Breaking this campaign promise undercuts a pathbreaking debt-for-nature swap program for developing countries, which would forgive a portion of their debt in return for setting aside tropical rain forests for conservation.

- ! **Breaks Bush Campaign Promise on Land and Water Conservation Fund** – As a candidate, Bush promised "full funding" for the land acquisition programs traditionally funded by the Land and Water Conservation Fund (LWCF) and the President's budget claims to fulfill that promise. However, a closer examination of the budget reveals this is not really the case.

Full funding would mean \$900 million split evenly between federal land acquisition and grants to the states. In fact, the Bush budget provides only \$390 million for federal land acquisition and uses the remaining \$60 million for unrelated assistance for private landowners.

Furthermore, as for the state LWCF grants, the Administration claims to provide \$450 million for FY 2002 and calls this amount a \$360 million "increase" over a FY 2001 freeze. However, this is only accomplished by collapsing current programs into LWCF. Specifically, an "increase" of this size is only made possible by repackaging funding for existing programs that provide conservation assistance to the states. For example, the Bush budget folds funding for the following existing programs into its total for state LWCF grants: State Wildlife Grants (\$50 million); Cooperative Endangered Species Conservation Fund (\$50 million); Urban Park and Recreation Recovery Grants (\$30 million); and North American Wetlands Conservation Fund (\$25 million).

- ! **Cuts Environmental Cleanup at Nuclear Weapons Facilities** – The Bush budget cuts the efforts to clean up nuclear and other hazardous waste at the former nuclear weapons production sites of the Department of Energy by \$458 million (or 7.4%) compared with the level needed, according to the Congressional Budget Office, to maintain purchasing power at the FY 2001 level. The President's budget is \$243 million below the FY 2001 enacted level.
- ! **Eliminates Agriculture Department's Wetlands Reserve Program** – The Bush budget eliminates the Agriculture Department's Wetlands Reserve Program in FY 2002, a cut of \$162 million. This voluntary program purchases long-term conservation easements from farmers to protect wetlands – thereby improving water quality and protecting wildlife. The program has been so popular that roughly three-fourths of interested farmers and ranchers have been turned away due to lack of funding. The Bush budget also eliminates other popular and effective conservation programs for agricultural producers: the Wildlife Habitat Incentives Program, the Farmland Protection Program, Soil and Water Conservation Assistance, and the Forestry Incentives program.
- ! **Cuts EPA Science and Technology Programs** – The Bush Administration has said that it wants to make environmental decisions based on sound science, but at the same time it is cutting programs that provide the scientific basis for those decisions. Overall, the Bush budget cuts EPA's science and technology account to \$641 million – a decrease of \$54 million (or 7.7%) from the FY 2001 enacted level. This cut includes a \$4.5 million cut in safe drinking water research and a \$6.3 million cut in research on key air pollutants.
- ! **Cuts Clean Water State Revolving Fund (SRF)** – For FY 2002, the Bush budget provides \$850 million for the Clean Water State Revolving Fund (SRF) Program – not even two-thirds of this year's enacted level of \$1.35 billion! As a consolation, the budget does contain \$450 million for a new grant program that Congress created last year to address the lingering problem of sewer overflows. For the Drinking Water SRF Program, the Bush budget provides \$823 million – the same funding as this year. Finally, the Bush budget zeroes out \$335 million in water infrastructure aid outside of the aforementioned programs. Overall, the cut in water infrastructure aid totals \$382 million below the FY 2001 enacted level.
- ! **Cuts Water Programs at U.S. Geological Survey (USGS)** – The Bush budget cuts the USGS budget to \$813 million – \$69 million (or 8.5%) below the FY 2001 enacted level. This overall cut includes \$20 million from the National Water-Quality Assessment Program (NAWQA) and \$10 million from the Toxic Substances Hydrology Program. NAWQA does essential water-quality monitoring and research to assess the state of the nation's waters and the pollution threats to those waters. The Toxic Substances Hydrology Program monitors for toxic substances in ground and surface water.

- ! **Provides No Funding to Manage New National Monuments** – The Bush Administration has said that it won't overturn the Clinton Administration's monument designations, but it has found another way to unprotect these protected lands – by not providing any funding to develop essential management plans for these newly-designated monuments.
- ! **Cuts Funding for Natural Gas Research** – At a time when the capacity and safety of natural gas pipeline infrastructure is in question, the Bush budget cuts funding for research in this area by \$3.1 million (or by 37%). Furthermore, while supporting oil and gas exploration on sensitive public lands, the Bush budget cuts by \$4.9 million funding for more efficient exploration technology (to find more gas with less drilling).

***Similarly, The Bush Budget Severely Cuts Natural Resources and Environmental Programs Overall Over the Next Ten Years***

As has been mentioned above, the Bush budget not only makes significant cuts at EPA and the Interior Department in FY 2002 -- it also makes significant cuts in natural resources and environmental programs overall in FY 2002 (in addition to the Interior Department and EPA, the budget category of "natural resources and environmental programs" includes the Army Corps of Engineers, programs within NOAA, and conservation programs within the Agriculture Department.)

For FY 2002, the Bush budget proposes \$26.4 billion in appropriated funding for natural resources and environmental programs overall – a significant cut of **\$2.3 billion** (or 8.0%) below the FY 2001 enacted level of \$28.7 billion. This level of appropriations is \$3.3 billion (or 11.1%) below the level needed, according to CBO, to maintain current purchasing power.

**Appropriations for Natural Resources and Environmental Programs**

(CBO estimates; billions of dollars)

	<b>2002</b>	<b>2002-2006</b>	<b>2002-2011</b>
Maintain purchasing power at FY 2001 level	\$29.7	\$156.9	\$335.9
Maintain purchasing power at FY 2001 level, excluding 2001 emergency funding from baseline	\$29.0	\$152.9	\$327.3
Bush budget	\$26.4	\$136.1	\$282.7

Not only does the Bush budget provide a significant cut in natural resources and environmental programs in FY 2002, **it also calls for significant cuts in these programs over the next ten years**. Indeed, under the Bush budget, the level of appropriations for natural resources and environmental programs remains below the FY 2001 enacted level of \$28.7 billion for the next six years. As the table above shows, over the next ten years, the Bush budget provides **\$53.2 billion less** for these programs than the Congressional Budget Office estimates is necessary to maintain services at the FY 2001 level.

The Bush Administration claims that this decrease is justifiable because there is no need to repeat funding for 2001 emergencies in future years. However, even after backing out emergency funding, the levels in the Bush budget still translate into large cuts in purchasing power for natural resources and environmental programs. Specifically, as the table above shows, under the Bush budget, even after backing out emergency funding, the Bush budget provides **\$44.6 billion less** for these programs than the Congressional Budget Office estimates is necessary to maintain services at the FY 2001 level. Hence, under the Bush budget, even after backing out emergency funding, the average annual cut in purchasing power for natural resources and environmental programs is more than 10%.